PRESIDENT'S MESSAGE .- No. II.

PREE TRADE DOCTRINES AND MEASURES.

The PRESIDENT congratulates himself on the working of the New Tariff. Some analysis of its action in comparison with that of 1842 will show with what reason he rejoices in it.

The President gives us the amount of imports for the last fiscal year, ending June 30, 1847, which was exclusive of specie) \$122,424,349, on which Lafayette to the furthest extremity of the city by the innumethe duties amounted to \$23,747,864. The imports of merchandise (excluding specie) for the year ending June 30, 1846, amounted to \$117,472,000; the duties \$26,712,667. The imports for the year ending June 30, 1845, with like exclusion, were \$113,291,000; the duties \$27,528,000.

importation of the last year would, according to its the Place d'Armes, with the sunbeams playing on the words result for the year ending June 30, 1845, have given a revenue of \$29,700,000; or, according to its result for the year ending 30th June, 1846, a reveduty. But, taking the average, it is self-evident that the loss of revenue on the last year's importation, by the substitution of the tariff of 1846 for that of 1842, is at least five millions of dollars; and this notwithstanding it had been in operation but seven months of the year. This circumstance, however, is not of much importance, as shipments of goods on which the duty was reduced were kept back or sent to custom-house stores for future entry during the last months of the tariff of 1842. The President and his Financial Minister, attempt as they may to give a different aspect to the matter, will fail of their object. There is no escape from the fact that, in point of revenue alone, the tariff of 1846 was a suicidal sacrifice of five millions of dollars, on an average of our annual imports, and this after the commencement of a most expensive

What more undignified, fallacious, and unfair than to go from the regular fiscal year, ending 30th June, (to which the accounts are made up,) to compare the astronomical years 1846 and 1847, for the purpose of drawing conclusions favorable to the tariff of 1846, when, truly presented, they lead to conclusions directly opposite?

In the first place, the importations of the last months of 1846, up to December, were kept back, as already stated, to wait the operation of the new tariff; and of course the imports of the first months of 1847 were proportionally increased, as fully appears by the actual imports of the fiscal year ending 30th June. In the second place, the famine in Europe and the specie sent to this country to purchase food produced a state of wholly unusual prosperity, and consequently caused a greatly increased importation of merchandise, especially during the latter part of the present year.

Under the additional stimulus of Mr. WALKER Tariff, this import has been decidedly too great for our comfort, as we find in the turn of the exchanges, whereby we are losing our specie, by every packet and steamer that sails for Europe, nearly or quite as fast as it came in a year ago.

The consequence is a violent contraction on the part of the banks, a pressure on the money market in all the commercial cities, which will soon extend to the interior unless checked by the cessation of these undue and excessive imports. The President estimates the duties accruing from December. 1846, to December, 1847, at thirty-one and a half venue: but it can hardly fall short of one hundred and sixty millions of dollars, exclusive of specie. On the first supposition, we should derive a revenue from it of about forty millions of dollars instead of thirty-one and a half millions. On the last and most probable supposition of a diminished importation, we should be in a state of comparative money pressure of one or one and a half per cent. a month, watching with intense interest the clearance of every steamer and packet to see how much gold and silver, the life blood of our circulation, is tain point, is certain to paralyze all commercial but of all the trophies he received, the approving smiles and operations. The only cause of an undue export of The policy of this Administration, on the contrary, is to stimulate importations to the utmost.

The School of Political Economy which it follows deny that any injury results to a nation from the welfare of both countries, and particularly so to our own; the export of its coin. Their language is, "We but, although he did not accomplish as much as he desired, cannot part with our specie, except in exchange for he always endeavored to perform his duty; and he was more something more valuable-for something which we than gratified that the people of Louisiana, with whom he prefer." Every practical merchant, however, has a different view of the matter; and, if we are not toast: misinformed, the Free-trade Philosophers of London, whom our present Financiers delight to follow. are sadly puzzled to satisfy the people of England | From the dinner table the General and suite visited ed is working well.

Our country possesses so many elements of prosperity that it will bear a good deal of misgovernit was a glorious day in New Orleans." ment without much absolute suffering. A sort of Administration party to establish the Subtreasury, formally presented to him by Governor Jonsson, in the presen which, without that miracle, would have convulsed tinuance of that famine may enable the Government to escape bankruptcy this year. But experience, though slow, is a sure teacher. We shall find out his residence at Baton Rouge, where (according to the Bee) events of equal probability.

We have indulged in these few remarks upon that part of the President's Message which relates to the operation of the New Tariff. When time allows, and we can find courage to face so formidable a document as the Annual Report of the Secretary of the Treasury, now placed before our readers, we shall probably have something to say upon that elaborate paper.

Friday week was a great and glorious pageant, and must have been a scene of grandeur seldom if ever surpassed. The heart of New Orleans (savs the Mercury of that city) was bounding with exultation at his approach, and enthusiastic was the welcome she gave him. It was a reception such as a great and free people alone could give, grand and imposing, without pomp or show, and respectful without formality. The scene which presented itself when the Mary Kingsland neared the wharf was affecting from its sublimity. Along the shores of the Mississippi, as far as the eye could nation, and the water of the river was tossed in foam from rable steamboats which were then running in every direction The ship America, that had moved immediately after the Mary Kingsland in the aquatic procession, floated slowly down the river, and the music which was borne to the ear from the deck of every steambout was occasionally unheard in the loud boom of the cannon and the wild shouts from the shore. The streets, housetops, and the decks and yards of Now, a very simple application of the Rule of overy vessel within sight were darkened with human forms, Three will show that, under the tariff of 1842, the and high above the mass of heads rose the triumphal arch in "Welcome" and "Buena Vista," which were inscribed in From customs, 2d, 3d, and 4th quarters, as letters of gold.

When Gen. Taylor landed, the cheers which pealed from the assembled thousands were electrifying, and the Committee nue of \$27,600,000. This discrepancy is owing of Arrangements, who had flattered themselves that they could to the slight annual fluctuation in the proportion of move in procession after the General, were scattered in a mo free goods and of those paying different rates of ment among the crowd, who evinced the greatest anxiety to touch the old hero's clothes, or even to see him. There was welcome beaming in every face that looked upon him, and he was conducted to the triumphal arch, where he was met by the Mayor, amid acclamations which were actually deafening The Mayor addressed him thus:

"GENERAL: In behalf of the city of New Orleans, which I have the honor to represent on this occasion, it is my pleasing office to welcome your happy return to your country your home; and in behalf of the Municipal Councils I tender o you the hospitality of this city whilst it is your pleasure to

"No circumstance could have filled our hearts with more joy than we now feel in having the opportunity to express to you our gratitude for the distinguished service you have rendered our country. The brilliant achievements performed in Mexico by the fearless and daring band that you have led on no language is sufficiently powerful to convey. For such achievements, General, every true American heart for chievements, General, every true American heart, from one extremity to the other of this Republic, is filled with gratitude | Indian department . . . . . . 1,720,660 26 and admiration. Wherever you direct your steps upon any spot where the star-spangled banner triumphantly expands its folds to the breeze, you will find a nation's love to greet you you will hear a whole people's spontaneous applause to extol
the splendor of your deeds, which your modesty would in vain
Treasury notes ....... 2,250,577 18
Treasury notes outstanding endeavor to weaken in your own eyes.

"Again, General, I bid you a hearty welcome in the name of all the citizens of New Orleans.'

To this the General responded briefly thus : "Mr. Mayon: The welcome which I meet this day from

the people of New Orleans, announced by you, their honored entative, overwhelms me with feelings which no words

in express.
"You have been pleased to qualify with terms of the highest approbation the services of the army which I have had the honor to command in Mexico. Could those brave officers and soldiers whose gallantry achieved the success to which you refer be present on this occasion, and witness the grand outpeuring of gratitude which their devotion has elicited, the neasure of my satisfaction would be complete. For them and for myself I thank from my heart the people of New O. leans, and accept, Mr. Mayor, the offer of their hospitality.

This simple but interesting formality over, Gen. TAYLOR proceeded to the Cathedral, where Bishop BLANC addressed him briefly and appropriately, during which he alluded to the humanity as well as the glory with which the old hero conducted the war, and concluded by expressing a hope of a speedy and honorable peace, to which Gen. Taylor feelingly replied, and warmly responded to the earnest aspirations of the bishop that a peace might be speedily secured. When Gen. Taylor appeared again before the people, he was mounted on his famous charger "Old Whitey." The excitement at this stage of the proceedings was intense, and the cheers almost amounted to phrenzied enthusiasm.

Arrived at the St. Charles, Gen. Taylor stood on the colonnade and the whole procession passed before him. The order of the rank and file was forgotten, and citizens and soldiers were mingled in the crowd, who cheered him as they passed. It would require the pencil of a Vandyke to portray the changing aspect of the old man's face, as with cap in hand he witnessed this closing scene in the great drama of the day.

The vast extent of the St. Charles suddenly became millions of dollars. He does not give us the amount leading to it were densely crowded by persons of every condi- Indian department...... 926,401 81 of imports which have produced this amount of re- non in society. Between the pillars of the colonnade in front of the building were suspended large variegated lanterns under chaplets of live oak. In front of the ladies' parlor was a transparency of the General, in the old brown coat, with the motto, Now, one of two things is unquestionably true: "A little more grape, Capt. Bragg!" In front of the gentle-Under the tariff of 1842 we should have had the men's parlor was another transparency of the General, with same amount of importation, or we should not, the words, "I have no reinforcements to give you, but Major Bliss and I will support you!" In various parts of the building there were other appropriate transparencies and devices, adding much to the general effect. The Orleans Theatre, and some of the buildings adjoining and opposite, were also illuminated.

About 7 o'clock the Mayor conducted General Taylor into ease: our cities would not be writhing under a the dining-room, followed by his staff, Governor Johnson and suite, officers of the army, and other invited guests.

> After the cloth was removed regular toasts were given. The third in order was "Major General Zachary Taylor," in exceeding \$3,000,000. Adding this to the deficit in the

response to which-The General rose with an appearance of diffidence and being drawn from us. The import of specie always produces a prosperous state of trade and in- enemies, and replied pertinently and appropriately. He said dustry. Its export, on the contrary, is always it was difficult for him to express his sense of the honors which viewed with alarm, and, when carried beyond a cer- were showered upon him by the citizens of New Orleans; waving handkerchiefs of the fair daughters of Louisiana affected him the most, and were dearer than a thousand victospecie is an excess of imports. To this branch of ries on the battle-field. They were triumphs peculiarly graovertrade this country has always been peculiarly tifying to him, for they were unalloyed by pain and left no subject. A leading motive to the establishing of the sting behind. He knew not how others felt, but for himself, protective system was to check this excess of im- how much so ever he might forget in the hour of battle the sad port and give more steadiness to our currency. consequences of the strife, they always rushed upon his mind afterwards, making his heart to sink, and causing him to feel like a child. He hoped to have done more for his country than he did; he thought he might have been enabled to accomplish a speedy and honorable peace-an event essential to considered himself identified, were contented with his conduct. Gen. TAYLOR concluded his remarks by offering the following

"THE CITIZENS OF NEW ORLEANS: Unsurpassed for i telligence, patriotism, and enterprise of every kind.

that the Free Trade theory which they have adopt. Theatres, where it is needless to say he was received with the most unequivocal evidences of respect and admiration. Altogether, according to the Mercury, "the weather, the people, the occasion, the enthusiasm, and its object, all considered

On the 4th instant the Sword which was voted to Genera miracle, the severe famine in Europe, enabled the TATLOR some months ago by the Legislature of Louisiana was sence of a number of distinguished citizens, accompanied the whole mercantile community. A partial con- a speech from the Governor highly complimentary to the General's public services, to which the latter made an appropriate

in time that Free Trade and Universal Peace are he will remain a week or two, enjoying the to him unwonted comforts of home; thence he will visit his country seat in Mississippi, where private business of some importance calls him. He will not for the present venture beyond the vicinity of the

> Thirty-four hands in the slaughtering establishment of Messrs. Hand & Pattison, at Cincinnati, killed and dressed n three successive days last week, 3,424 hogs.

A line of communication between Columbia and Charles-ton (S. C.) by the Magnetic Telegraph was completed and put into operation on Wednesday week.

specifully submitted:

REPORT OF SECRETARY OF THE TREASURY. TREASURY DEPARTMENT, DECEMBER 8, 1847.

The Receipts and Expenditures for the fiscal year ending on the 30th June, 1847, wererom customs......\$23,747,864 66 From public lands...... 2,498,355 20 Total receipts....\$52,025,989 82 Add balance in Treasury July 1, 1846. . . . 9,126,439 08 Total means, . . . \$61,152,428 90 The expenditures during the same period were 59,451,177 65 Leaving balance in Treasury July 1, 1847...\$1,701,251 25

The estimated Receipts and Expenditures for

he fiscal year ending 30th June, 1848, are-RECEIPTS. Viz. From customs, 1st quarter, by actual returns \$11,106,257 41 estimated...... 19,893,742 59 from sales of public lands..... From avails of Treasury notes and loans.... 6,285,294 55

Add balance in Treasury July 1, 1847.... 1,701,251 25 Total means, as estimated . . . . \$42,886,545 80 EXPENDITURES, Viz The actual expenditures for 1st quarter end-

ing September 30, 1847, were ..... \$16,469,194 69 the estimated expenditures for the public service during the other three quarters, from October 1, 1847, to June 30, 1848,

Civil list, foreign intercourse, and miscellaneous......\$5,486,180-42 Army proper, including voing militia, &c...... 2,036,446 50 

and payable when presented 267, 139 31

42,146,465 38 \$58,615,660 07

Excess of expenditures over means July 1, The estimated Receipts, Means, and Expendi-

tures for the fiscal year commencing July 1, 1848, and ending June 30, 1849, are-From customs . \$32,000,000 00
From sales of public lands . 3,000,000 00
From miscellaneous sources . 100,000 00

35,100,000 00 Means available for service of fiscal year end-

ing June 30, 1849......\$19,370,885 73 The Expenditures during the same period, as

stimated by the several Departments of State. Treasury, War, Navy, and Postmaster General. are-The balances of former appropriations which will b

quired to be expended in this year.......\$1,475,210 77
Permanent and indefinite appropriations........4,587,577 82 

This sum is compositely list, foreign intercourse, \$5,613,061 52 This sum is composed of the following: and miscellaneous.....\$
Army proper, volunteers, and Military Academy . . . . . 32,007,028 42

Fortifications, ordnance, arming militia, &c...... 2,045,169 90

Naval establishment. . . . . . 10,905,558 55
Interest on public debt and
Treasury notes . . . . . . 2,453,402 68

Deduct means remaining applicable to service of fiscal year ending June 30, 1849...19,370,885 73

Excess of expenditures over means July 1, 1849 .....\$36,274,

It will be perceived that if the war is continued until the 1st of July next, and no additional revenue provided by Congress, nor any sums received from military contributions Mexico, there would be a deficit in the Treasury on that de of \$15,729,114 27. For the reasons hereafter stated, une the operations of the Constitutional Treasury, it will not be necessary hereafter to retain in the Treasury, to meet 15 wants of the Government, and afford a constant supply for a their enlarged operations to the mint and branch m Treasury on the 1st of July next, it makes the \$18,729,114 27 to be supplied during that period; to m which, if the expenditures authorized and estimated should take place prior to that date, a loan for that sum would be required, if no additional revenue was derived from any source whatever. It is believed, however, that if Congress adopt the following measures, which are recommended to their favorable consideration, additional revenue to the amount of \$4,500,000 per annum might be realized : First, from a duty on te2 and coffee of 25 per cent. ad valorem, \$3,000,000 pe annum; from the reduction and graduation in the price of public lands, \$1,000,000 per.annum; and from the ext sion of the pre-emption privilege to every bona fide settler our unsurveyed lands wherever the Indian title may be extin guished, \$500,000 per annum. Should these measures be adopted by Congress, the loan might be reduced to a sum not exceeding, at the most, \$17,000,000. In estimating the loan at \$17,000,000, allowance is made for the fact that these measures for additional revenue could not all go into effect, so as to produce the full amount during the time interventween the present period and the 1st of July next; after that date, it is not doubted that they would produce the ful amount of \$4,500,000 per annum. The President of the Mexico in every form that may be sanctioned by the law nations. These contributions consist, first, in diminishing the estimated expenditures, by obtaining, as far as practicable, supplies for the army in Mexico; second, by duties upon imports, as a military contribution; third, by enforcing the exican duty upon exports; fourth, by directing the seizure and appropriation to the support of the war and the army of all the internal revenues of Mexico, except transit duties, whether assessed by the General Government of Mexico, or by any department, city, or town thereof. By the acts of September 2, 1789, and the 10th of May, 1800, it is the duty f this Department to report to Congress estimates of the propable amount that will be derived from all sources combined, in order that no larger loan may be asked or effected that would be requisite after deducting the amount thus estimated. The sum to be realized from these military contributions will depend upon future contingencies. If our armics are withrawn from the capital and ports of Mexico, nothing would be eceived from such contributions. If they were withdrawn the capital, retaining the ports, no safe transit being open for imports into the interior, and to the rich and populou ortion of the country, including the mining region sall revenue would be derived from this source, as shown by past experience—probably not exceeding \$1,000 p m. If, however, the ports at present occupied by our forces be retained, and all the rest seized or blockaded, so as to prevent the carrying of imports into the interior, through any other ports than those held by our forces; if the roads were then opened into the interior, through the city of Mexico and mining region, and the route of commerce across the isthous rendered secure, it is my conviction that the revenue from these sources above specified ought not to be less, so far as the duties on exports and imports are concerned, than has heretofore been collected by the Government of Mexico. Thave not been able to obtain any reliable statement of the nount of duties realized in Mexico upon exports; if, howver, it were fairly collected upon all the exports of specie m Mexico, it would probably not amount to less than

stances, it is extremely difficult to estimate the amount of du- | D. R. McNair, of Kentucky, with whom was associated Gen. ties which could be derived from this source, but they ought not to fall below \$500,000 per annum. The receipts from duty on imports collected by Mexico have varied from six to twelve millions of dollars per annum; and I think it ought not to be less with the ports and interior and the roads in our possession, and rendered secure for exports and imports. In obedience to law, the following report is re-There are many reasons why it ought to be greater.

The present duties are framed so as to yield the largest enue; whereas the Mexican tariff was in the highest protective and prohibitory; the duties, even when the gowere admitted, being generally adverse to revenue. The were also sixty articles the importation of which was prohibited altogether, among which were sugar, rice, cotton, boots and half-boots, coffee, nails of all kinds, leather of most kinds, flour, cotton yarn and thread, soap of all kinds, common earth en ware, lard, moinsses, timber of all kinds, saddles 66 all kinds, cotton goods or textures, chiefly such as are made in the United States; pork, fresh or salted, smoked or cured woollen or cotton blankets or counterpanes, shoes and slippers, wheat, and grain of all kinds. The admission of the prohibit ed goods at reasonable rates, the change of the protective into revenue duties, and the abolition of the heavy transit charges, must of course increase imports and revenue, and greatly enfor our goods imported there. No nation, in proportion to its wealth, can afford to import more than Mexico, because her great staple export, being specie, is sought by all nations in exchange for their goods imported there: Under our brave officers the money will not be lost, as it was to a great extent by peculation under the Mexican Government, and the lower es will to a great extent prevent smuggling. The duties, also, being collected on the goods imported from one Mexican port into another, will be an addition to the amount exacted

by the Mexican Government. On the whole, I cannot believe that, under the circum stances and condition of things above suggested as the mos favorable to augment these contributions, that the duties on imports, with all the ports, the roads, and interior in our mili ession, would be less than it was under the Government of Mexico-especially under the guaranty already given, that in any treaty of peace it will, as announced, be provided that the goods imported should neither be confiscated nor sub-

jected to any new duty by Mexico. The internal revenue collected by the Mexican Government, as well as Departments, was about \$13,000,000 per

I do not believe, however, that any very large portion of this revenue could be collected under our military system; and I have no sufficient data upon which to base any reliable estimate as to these sources of revenue.

Under these circumstances, it is impossible to name any precise sum as that which probably would be derived from military contributions in Mexico. The more complete, however, the possession of the country by our troops, the larger would be the revenue. Thus much I have thought it incumbent on me to say; and, without being able to fix any precise sum, it is my conviction that the revenues that may be derived from these various sources in Mexico would be very considerable, and augmenting from time to time. In view, however, of the uncertainty of the amount of these contributions at p and the delay in carrying them into effect, if the me nty of the amount of these contributions at present, proposed for augmenting the revenue by duties upon tea and coffee, the reduction of the price of the public lands, and the extension of the pre-emption privilege, should not be adopted by Congress, I recommend that authority be granted to negotiate a loan for the sum of \$18,500,000, upon the terms authorized by the act of 28th of January last. Should the war be continued until the 1st July, 1849, an additional loan amounting to \$20,500,000, would be necessary, if no additional revenues be granted by Congress, and no contributions were levied in Mexico. As it is believed, however, that a onsiderable sum must be derived from these contributions, no further loan beyond the amount of \$18,500,000 is asked at this period; and it is believed that this sum is all that will be required, in all probability, until the meeting of Congress, December, 1848. It is possible, however, that a further loan for a sum not exceeding \$6,000,000 may be required before that time. Should this be the case, there will be ample time to communicate the information to Congress, and ask a further provision for that amount.

A duty of twenty-five per cent. ad valorem on tea and coffee is again respectfully recommended. By reference to tables RR 1 and RR 2, it appears that the aggregate value of our imports of tea and coffee is progressing, and that the impost sugested would probably yield an annual revenue of \$3,600,000 reducing the loan, aiding the credit and finances of the Gov ernment, and, with our other resources, securing prompt payment to our gallant army and navy, who are vindicating the rights, sustaining the honor, and elevating the character of our country. The experience of the last year proves that no additional revenue, or none exceeding a few thousand dollars, could be obtained from any augmentation of duties upon the dutiable imports. No such augmentation is recomm and scarcely any revenue could be derived from the few remaining articles on the free list, exclusive of tea and coffee It is a sound rule, when contracting a public debt, to pro vide, at the time, such revenue as will be adequate for prompt payment of the interest, and the gradual but certain extinguishment of the principal of the debt. So long as this rule is pursued, there is no danger of any alarming accumulation of public debt, nor any apprehension that the public credit will be impaired or embarrassed. To refuse the tax at this time, would be to accumulate a large debt with an augmenting amount of interest, and with no certain means provided for the liquidation of such engagements. The credit of nations is best maintained when, for all their obligations, adequate provision is made at the time ; and there is danger that increasing debts, without any additional revenue, might expose our

finances to great hazard. Diminishing expenses being one of the best means of improving the finances, the charges of collecting the revenue from customs have been carefully examined, and every retrench ment made compatible with the public interest. The saving thus effected, notwithstanding the vast increase of business will amount, it is believed, to nearly \$500,000 per annum ; not by reducing wages, or reasonable compensation, but by dispensing with every officer or agent not absolutely required for the public service; by curtailing the expenses of the-revenue marine; by introducing a more rigid and perfect system of accountability; by classifying the expenditures, and arranging them in tables under distinct heads; and, above all, by subjecting them to the same checks, under the supervision of the accounting officers of the Treasury, as apply to appropriations made by law; in regard to which, Congress will, no doubt, be guided by that wise and enlightened economy so important at this time to the maintenance of the public credit.

The recommendations in my first as well as my second innual report of the reduction of the price of the public lands in favor of settlers and cultivators, together with the removal of onerous restrictions upon the pre-emption laws, are again respectfully presented to the consideration of Congress. Sales at the reduced price, it is thought, should be confined to settlers and cultivators, in limited quantities, sufficient for farms and plantations, and the pre-emption privilege extended to every bona fide settler, and embrace all lands, whether surveyed unsurveyed, to which the Indian title may be extinguished The lands remaining subject to entry, at private sale, on the first of this month, were 152,101,001 acres; and the unsurveyed lands to which the Indian title has been extinguished, 71,048,214 acres, (per table Z.) The adoption of these two measures, for the reasons stated in my previous reports, would angment the revenue a million and a half of dollars per annum, operating as they would on 223,149,215 acres. It would at the same time increase the wages of labor, by enabling a much larger number of the working classes to purchase farms at the low price, whilst it would at the same time augment the wealth and power of the whole country. public lands have been offered a long time for a price they will not bring, the failure to reduce the price is equivalent in its effects to an enactment by Congress that these lands shall not be sold and settled for an unlimited period. The case is still stronger as to unsurveyed lands, there being an act of Congress forbidding their sale or settlement, and denouncing as criminals and trespassers the American pioneers who would desire to enter in advance into the wilderness, cover it with farms and towns, with the church and the school-house, extend over it the blessings of our free institutions, and enlarge by the axe and the plough the cultivated area of the American

as well as the unsurveyed lands opened to pre-emption, and the Indian title extinguished within the coming year, or that which succeeds it, in addition to Iowa and Wisconsin, we should soon have two new States-Minesota and Itasca-in the great valley of the West, adjoining Wisconsin and Iowa. Instead of draining the old States of their population, the graduation and pre-emption system will, in a series of years, increase their prosperity by giving them customers in the West, who will carry to them their products, and receive their imports or fabrics in exchange, increasing the transportation upon our railroads and canals, and augmenting our foreign as well as constwise tonnage. The distribution of the proceeds of the sales of these lands is prevented for at least twenty years by the act of 28th January, 1847, setting apart and pledging these proceeds to the extinguishment of the public delt. So far, also, as distribution may have been advocated with a view to favor a protective tariff, it is now proved that a tariff for revenue not only yields a larger income than the protective system, but also advances more rapidly in a series of years the prosperity of the manufacturers by the augmentation of their eign and domestic market. Every reason, therefore, which has heretofore opposed the removal of all restrictions from the pre-emption system, or the reduction and graduation of the price of the public lands, having ceased to exist, it is hoped that these measures may receive, during the present session, the favorable consideration of Congress.

The mineral lands were transerred by Congress to this De-

partment by acts of 1st and 3d of March, 1847. After obtaining all the information in my power, the law was carried into effect by the appointment by me of Dr. C. T. Jackson, of Boston, to make the geological survey of the Lake Superior land district in Michigan, and of Dr. D. D. Owen, of Indiana, \$1,000,000 per annum. It is not known, however, that so to make a similar survey of the Chippewa district in Wiscon arge a sum as realized from this duty was ever recorded in e a sum as realized from this duty was ever recorded in sin and northern lows. The appointment of agent to collect custom-house returns of Mexico. Under these circum-

E. J. Roberts, of Michigan, as assistant. Copies of the instructions which were given by me in April last to Messrs. Jackson and Owen, as well as to Mr. McNair, the agent, and Gen. Roberts, his assistant, are hereto annexed; and these four gentlemen have all zealously performed their duties. It will be perceived that the instructions given by this Department to Messrs. Jackson and Owen contemplate a complete geological and topographical description of this great region, together with the barometrical and hygrometrical observations, and a series of observations on the dip and intensity of the needle as intimately connected with the geological and mineralogical character of the country, and as leading to results in tainments, which induced this Department to confer those appointments upon them. It was my pleasing duty to direct all the geological and mineralogical specimens obtained, in con-formity with the act of 10th August, 1846, establishing the Smithsonian Institution, to be deposited with a view to their transfer to Professor Joseph Henry, the Secretary thereof, whose great discoveries have contributed so large and important an addition to the cause of science, conferred so much honor on this his native country, and attracted the admiration and applause of the distinguished men engaged in scientific pursuits in every portion of the globe. The country being surveyed abounds in mineral wealth, and especially in copper; and when the mines shall become the property of individuals, and the adjacent lands settled and cultivated, so as to unite there cheaper subsistence with more abundant labor, it is be lieved that this great region, occupying a position nearly central between the Atlantic and the Pacific, must become an important portion of our country. Much time and labor were devoted to the preparation of these instructions, calling to my aid the very able and efficient Commissioner of the General

retaining only the supervisory power required by law.

By the act of the 11th of February, 1847, a bounty in land was designed by Congress for the benefit of the brave men who are vindicating abroad the rights and maintaining the honor of their country. By the provise to that act the sale of these claims is prohibited until a warrant or certificate has issued, indicating, as is believed, the benevolent intention of longress to secure homes to our soldiers and volunteers. It is deeply to be regretted, however, that the intentions of Congress in this respect are to be defeated by the sales of these varrants or certificates at a great sacrifice, which will be ob viated to a very great extent for the future by further restric tions by Congress upon these assignments, and especially by forbidding the sale until the patent shall have issued. If this is not done, but very few of these brave men, when their toil and perils shall have terminated, will have retained the righ to the homes intended for them by the benevolent policy of With a view, as far as practicable, to induce the soldiers and volunteers to retain their rights, it was decided by this Department, after a conference with the Secretary of War, who concurred in this opinion, that if the soldier and volunteer became a pre-emptor, he might use his warrant or certificate in purchase of the lands upon which he had settled, but that no assignee or purchaser could thus use such warran or certificate in payment of any lands that had not been offered at public sale. Under this decision the warrant or cer tificate is of more value to the soldier and volunteer than to the purchaser; and there is an additional motive to retain the warrant or certificate. Instructions have also been issued by this Department to the various registers and receivers of land offices that they cannot become the purchasers of these warrants or certificates, or any other land scrip; nor must they become agents for the sale, deposite, or exchange of the same; but confine themselves, as far as these warrants or certificates are concerned, exclusively to receiving the same, when offered for location, as prescribed by law. The public revenue would thus be augmented, and a just and liberal policy adopted, if the settlers upon the lands within the prescribed limits of th Milwaukie and Rock River canal were permitted to purchase their settlements at the usual minimum price per acre; and such modification of the existing law for the benefit of these meritorious settlers, as well as with a view to augment the revenue, is recommended to the favorable consideration of

Congress. The recommendation contained in my last report for the establishment of ports of entry in Oregon and the extension there of our revenue laws, is again respectfully presented to the consideration of Congress, together with donations of farms to settlers and emigrants, and the grant of a school section in the centre of every quarter of a township, which would bring the schoolhouse within a point not exceeding a mile and a half in distance from the remotest inhabitant of such quarter township.

This measure, as regards the additional school sections, would be highly beneficial in all the new States and Territories. In Oregon, as a general rule, the lands are much less portant as it is to all our great interests, and especially as concted with our commerce with Asia and the western coast of America, that Oregon should be rapidly settled with a large population, these measures would be attended with the happy results. Such a system, whilst it would strengthen the attachment to the Union of the inhabitants of that dis-tant region, would rapidly augment its settlement and population, and bring back, in large revenues through the custom-house, an ample return to the Government for the adoption of

a policy so just and liberal. Table D contains a full statement of all the Treasury notes paid under the act of the 10th of August last amounting, on

the first of the present month, to the sum of \$33,067.06.

Table E exhibits the amount of the public debt and interest paid from 1st December, 1846, to 1st December, 1847, including the reimbursement of Treasury notes under acts prior to the act of 22d July, 1846, under act of 22d July, 1846, and under act of 28th January, 1847, amounting, in principal, to the sum of \$9,046,511 85, and in interest to \$1,433,850 29. Table F (hereto annexed) shows the public debt due on the 1st December, 1847, \$45,659,659 40; the amount of the debt due on the 4th March, 1845, \$17,788,799 62; leaving the balance, being the debt incurred since the 4th March, 1845, \$27,870,859 78. The same table exhibits the reduction of the debt due on the 4th March, 1845, by payments made since that date, to \$16,476,010 75.

Table G exhibits the amount available on the 1st October, 1847, of the loans of 1846 and 1847—being of the loan of 1846, then available, \$1,648,900 55; and of the loan of 1847, \$4,636,394; and of the aggregate of both \$6,285,294 55. Table H shows the amount available on the 1st December, 1847, of the loans of 1846 and 1847-being of the former then available \$902,950 55, and of the latter \$3,299.878. and of the aggregate of both \$4,202,828 55.

Table I exhibits a statement of Treasury notes under act 22d July, 1846, issued in exchange for specie deposited in 1847, amounting to \$965,750.

Table K exhibits a statement of six per cent. Treasury notes exchange for specie deposited to the credit of the Treasurer of the United States under act of 28th January, 1847, amount-

ng to \$15,469,800. Table L exhibits the amount of Treasury notes issued at 5 2-5 per cent. interest, in exchange for specie, under act of 28th January, 1847, amounting to \$471,000. Table M exhibits the reimbursement of Treasury notes nonthly, from December 1, 1846, to the 1st December, 1847,

mounting to \$8,974,791 66.

Table FF gives the items in detail of the debt of the United tates due on the 4th March, 1845.

Table N shows the transfers made to New Orleans in specie om the 1st January, 1847, to the 1st December, 1847, being \$8,616,517 30. Table X gives the amount of Treasury notes paid in

ublic lands during the 4th quarter of 1846, and 1st, 2d, and Table KK exhibits the amount of Treasury notes paid in duties from 1st December, 1846, to 1st December, 1847, including the amount of \$101,800 paid into the custom-house in April last, at par—being the month in which the loan for \$18,000,000 was negotiated; from which Congress will ob-

serve the gradual appreciation of these notes in the market, and their partial discontinuance for that time in revenue paynents, and subsequent renewal of the payments of Treasury notes for duties. Table P exhibits separately the monthly issue of Treasur notes from 1st January, 1847, to the 30th November, 1847, inclusive, under the acts of July 22, 1846, and of 28th Janpary, 1847-being under the former act \$2,794,100, and un-

der the latter \$17,762,950, and in the aggregate of both Table Q exhibits the yearly payments on account of the principal and interest of the public debt from 1791 to 1847, both inclusive, amounting in the whole to the sum of \$483,-

This table is the recorded evidence of the will and the ability of the American Union to discharge all its obligations, the amount of debt now due being \$45,659,659 40—a sum less than one-tenth of the amount of principal and interest of the public debt which we have already paid. These payments were made with uniform punctuality, and commencing with heavy amounts at periods when our population was greatly less than one-fifth of its present numbers, and when its ability to meet its engagements was even in a smaller pro-

It is impossible for any American citizen to regard this evidence of the honor and good faith of his country with any other feelings than those of pride and satisfaction. In war and in peace our country has maintained her honor unsullied, and resolved, through every sacrifice of blood and treasure, that it must and shall be preserved.

The Constitutional Treasury went into effect on the 1st of January last; and the business of the Government under this act, during the last eleven months, has been conducted in specie: of which, as appears by table U, there was received during the last eleven months, for loans, customs, lands, and miscellaneous collections, the sum of \$48,667,886 18 in specie, and the sum of \$48,226,516 31 during the same eleven months

last, \$3,340,706 48 in specie was received by the collect

disbursed by that officer. The receipts and disbursed the Government in specie, during the last cleven months, have amounted, together, to the sum of \$96,894,402 49; and not a dollar has been lost to the Treasury, nor any injury inflicted upon any branch of commerce or business. The Constitued upon any branch of commerce or business. The Constitu-tional Treasury has been tried during a period of war, when it was necessary to negotiate very large loans, when our expenditures were being increased, and when transfers unprecedented in amount were required to distant points for disburse teresting to the cause of general science. From the prelimi-nary reports already made by Drs. Jackson and Owen, this received, transferred, and disbursed more specie than during Department feels well assured that both those gentlemen will fully sustain that high reputation for perilous and laborious exploration of new regions, as well as for high scientific atly the powers of the Department, and especially to render more secure "the public money in the hands of disbursing agents," the amendments suggested in my last annual report, (including the establishment of a branch mint at New York,) and which received the sanction of the House of Representaand which received the sanction of the frouse of Representa-tives during the last session, are again recommended to the favorable consideration of Congress. During the year ending 30th June, 1847, our imports of specie were \$24,121,289, (see table T.) most of which, under former systems, must have gone into the banks, to have been made the basis of issues of their paper to the additional amount of fifty or sixty millions of dollars. Such an expansion, during the last spring and summer, accompanied by still higher prices, and followed by a greater fall, and by bankruptcies in England to an exten heretofore unknown, finding our banks and credit greatly expanded, and reacting upon this expansion, would have produced a revulsion here exceeding any that has heretofore occurred in the country. A general suspension of the banks would probably have resulted; depressing the wages of labor and prices of property and products; affecting injuriously the operations and credit even of the most solvent, and producing extensive bankruptcies. From this revulsion we have been saved by the Constitutional Treasury, by which the specie im-Land Office, to whom the subject was then transferred by me, ported, instead of being converted into bank issues, has been made to circulate directly to a great extent as a currency among the people—having been recoined here during the last eleven months by the new orders of this Department under the act of 9th February, 1793, and the zealous co-operation of the able and efficient head of the mint at Philadelphia, to of the able and efficient head of the mint at Philadelphia, to the unprecedented extent of \$20,758,048 12; and there are thousands of our citizens now solvent and prosperous, who have been saved from ruin by the wholesome operation of the Constitutional Treasury. The banks, that so unwisely opposed the system, have been rescued probably from another suspen-sion; their stockholders, depositors, and note holders from severe losses; and the country and Government from the ruinous effects of a depreciated paper currency. If the union of the Government with the banks had continued, and their suspension and the depreciation of their paper occurred dur-ing the war, requiring large specie disbursements, which suspended banks could not furnish, consequences the most disas trous to the honor and the interests of the country must have ensued. The Government is now disconnected from banks, and yet its stock and notes are at par, although we have been constrained to contract heavy loans, and to keep larger armies in the field than at any former period. But during the last war, when the Government was connected with banks, its six per cent. stock and Treasury notes were depreciated twentyfive per cent., payable in bank paper twenty per cent. below par: thus amounting to a loss of forty-five cents in every dollar upon the operations of the Government. In my first annual report to Congress, on the 3d of December, 1845, in recommending the adoption of the Constitutional Treasury, the

that port, and in the last eleven months by him in specie \$18,615,422 26. During the same month of August, there was deposited (see table GG) the sum of \$5,795,720 92 with the assistant treasurer of that city, and transferred from or disbursed by that officer. The receipts and disbursements of

" Nor will it be useful to establish a Constitutional Treasury if it is to receive or disburse the paper of banks."

"If paper, in whatever form, or from whatever source it may issue, should be introduced as a circulation by the Contitutional Treasury, it would precisely to that extent diminis its use as a means of circulating gold and silver.

following observations were made:

During and before the commencement of the last session of Congress, it was thought by many that this measure could not operate successfully during war, and that large loans could not be negotiated if the payments were required in specie. The Department, however, adhered to the recommendations of its first report, believing that the Government would be of its his report, bettering that the treasury should resort to banks to negotiate its loans or supply its revenue, that both, if the war continued, would be involved, as venue, that both, if the war continued, would be involved, as they were in the war of 1812, in one common ruin. During the months of June, July, and August last, (per table N, the sum of \$6,000,000 was transferred from the assistant trea surer of New York for necessary disbursements at New Orleans and in Mexico. Heretofore, the public money being deposited with the banks, and loaned out to their customers, when such enormous transfers were made, a contraction of the banks with ruinous losses must have ensued; but the money of the Government is now transferred from New York to New Orleans, and scarcely affects business or the money market, because the transactions of the Government are disconnected from those of the banks. When the Government formerly received and disbursed only the paper of banks, whenever revulsion and numerous bankruptcies occurred in England, they universally reacted upon our perilous paper system, so as to create a pressure in our money market, a large and sudden contraction of the paper currency, a calling in of heavy loans by the banks and, as a consequence, many failures and most frequent suspensions of specie payments. Now, for the first time in our history, although failures in England of the most unprecedented magnitude have occurred, including banks and bankers, yet our banks and credit are sound and stable, and the business of the country is still prosperous and progressive.

Nothing is more injurious to all classes, but especially to

our manufacturers, than the expansions, contractions, and fluctuations of the bank-paper system, vibrating with every considerable change of the public moneys held by them as depositories. This perilous and seductive bank-paper system opens temporarily, and beyond the wants of the country, a market here for foreign imports, not in exchange for exports, but for credit; the redemption of which drains the country of its specie, contracts the paper currency, forces, at a sacri-fice, the sale of domestic fabrics, and depresses the industry of the whole country. Domestic manufactures require for their permanent and successful operation the basis of specie, checking vibrations and inflations of the paper system, confining our imports to the wants of the country, and prevent-ing the temporary purchase of foreign goods for credit, and not for exports, which always results in disturbance of the money market and in injury to the country. If our manufacturers desire great advantages from the home market, it must be abundantly and permanently supplied with a large specie circulation, which alone can sustain that market for a number of years, and prevent those calamities which must follow an inflated paper currency. A home market for our solid, permanent, and augmenting; but when founded upon paper credits, it is inflated one year, only to be depressed the next or some succeeding year—thus depriving the manufac-turer of any well-assured and permanent domestic market. The bank deposite year, (1836,) when we were importing grain, contrasted with 1847—the year of divorce of the Gov-ernment from banks—exhibits the delusive inflation of the one with its succeeding disasters, and the solid prosperity of the other; resisting thus far, to a great extent, the revulsion in England, and proving the good effects of the union of low duties and the specie-receiving and specie-circulating Constitutional Treasury.
I renew my former recommendation for the establishment

of a branch of the mint of the United States at the city of New York. During the last eleven months, commence the 1st of January last, the amount of coin actually paid in to the assistant treasurer at that city was (as per table HH) \$29,904,744 19, pearly all of which was in large portion of which, as far as practicable, was transferred and recoined into our own coin at the mint at Philadelphia. The whole of that foreign coin, however, ought to have been at once recoined at the city where it was received, and, in addition, the large amount of coin and bullion which is con-stantly arriving there, and does not find its way into the office of the assistant treasurer; but, as foreign coin is deposited with the banks, and never becomes a circulation to any great extent among the community, all which would also be at once converted into American coin without loss or delay, if a branch of the mint were located at the great emporium of the com-

Under the salutary provisions of the Constitutional Treasury law, the experience of this year has proved that a sum not ex-ceeding \$3,000,000 is all that need be retained in the Treasury as a surplus to meet the wants of the Government, or to supply the mint and branch mints with an abundant and sufficient sum for coinage—thus saving, in this way, the interest on \$1,000,000 to our country. The treasurer of the mint in Philadelphia, and of the branch mint at New Orleans, are also assistant treasurers, to and from whom transfers of specie (nearly all of which is received in foreign coin) can be made under the provisions of the Constitutional Treasury. Under the act of 9th February, 1793, providing for the recoinage of foreign coin at the mint, instructions were issued by me to carry that act fully into effect. Under these orders, transfers are made of the foreign coin to the mint and branch mints for recoinage, and the amount coined since the 1st of January last up to the 1st December, was \$20,758,048 12, of which the sum of \$3,085,953 80 was coined in the month of No vember, 1847; and if this should be continued for the present month, it would make the coinage of the first year of the Constitutional Treasury \$23,844,001 92.

Table R exhibits the yearly coinage from 1793 to 1st December, 1847, amounting in the whole to \$143,238,370 54; howing that the amount coined this year would be about onesixth of the aggregate coined in the fifty-five years from the first coinage in 1793 to the close of the present year. Table S gives the coinage each month this year from the

st January to the 30th November. this coinage has been by converting foreign gold coins, which will not circulate among our people, into American gold coins, which is now going into much more general circulation; and during the ensuing year it is expected that the coinage of specie from the silver that must be brought in from In New York, (see table Y,) during the month of August